1:Stanford U. S-4, 5 1956 AF12 North China AF12

185 survey will serve to provide more particulars about some of the individual industries.

IV. SURVEY OF SELECTED INDUSTRIES

316 ### A. Coal Mining

North China accounts for a large part of Communist China's coal production outside Manchuria. This situation is clearly illustrated by the following figures, comparing the region's coal output with that of China proper as well as with that of the Chinese Mainland as a whole. 9/

9/ New China News Agency (NCNA), Dec. 28, 1953; Ti Ch'ao-pai, "I Nien-lai Ti Chung-kuo Ching-chi Ch'ing-k'uang," ["Communist China's Economic Conditions in the Past Year,"], Economic Weekly, Jan., 1950, p. 7; Chung-kuo Kung-yeh [China's Industry] , Shanghai, Mar. 17, 1950, p. 18.

1:Stanford U. S-4, 5 AF 12 North China AF 12
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Coal Production
(in thousand short tons)

Year	North China	China Proper	Mainland China
1949	6,749	17,050	28,600
1950	8,621	23,660	37,752
1951	12,042	31,249	46,904
1952	14,974	37,420	57,772
1953	17,347	40,389	62,920
1954	21,683	64,733	90,189

Thus during 1953, the first year of the current Five-Year Plan, 42 per cent of the coal produced in China proper, or 36 per cent of that produced on the entire Mainland, was contributed by North China. These ratios dropped slightly during 1954 following the expansion of Manchuria production, but they were nevertheless very large.

The principal coal mines of North China in Hopei Province are Kailan, Ching-hsing, Feng-feng, and Men-t'ou-kou; and in Shansi Province, Ta-t'ung, Yang-ch'üan, and Lu-an. According to a 1954 report, 32 coal shafts, some of which were in reconditioned existing mines, would come into full operation by 1957, and thereby, it is claimed, doubling the 1953 output of the region's stateowned mines, i.e., all of the large ones. Included in the expansion program were those at Kailan, Ta-t'ung, and Feng-feng, as mentioned earlier

10. NCNA, March 19, 1954.

316 This statement appears to be in line with an earlier report which mentioned a plan to increase North China's coal production at an average rate of 25 per cent per annum between 1953 and 1957.[11] The over-all increase in coal production is to be accompanied by a probably greater increase in coke for the country's expanding iron and steel industry.

The largest coal mine of the area is at Kailan, which accounted for 10 per cent of the country's coal output during 1953, i.e., about 6.6 million tons. Most of the output is shipped to such urban centers as Peking, Tientsin, Wuhan, Shanghai, Nanking, and Tsingtao to serve as industrial and household fuel. Shipments are also made to the Anshan Iron and Steel Works in Manchuria for coking.[12] Some export was reported during 1953, although, unlike the pre-war years, the volume was small. A general program to modernize the technique and organization of coal mining in the country was initially introduced at Kailan in 1954. More than 85 per cent of the total output at the mine, it is reported, is now cut by machinery, while underground transportation and ventilation have also been somewhat improved. The official plan seems to aim at raising the mine's output to around 13.2 million tons by 1957.[13]

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11. Ching-chi Tao-pao [Economic Bulletin], Hong Kong, No. 50, Dec. 1953, pp. 4-5.

12. Jen-min Jih-pao [People's Daily], Peking, Dec. 19, 1953.

13. Ibid., April 15, 1955.

3/6 The Ta-t'ung coal field in Shansi, one of the principal expansion projects under the Five-Year Plan, has eight mines, the largest of which is said to have been destroyed at the end of World War II. According to Communist sources,[14] rehabilitation of this mine was completed during 1954 and hand-hewing is said to have been done away with. The latter development probably contributed to an alleged 45 per cent increase in Ta-t'ung's coal production in 1954 over that of the preceding year.[15] The 1954 output may be roughly estimated at 7 million short tons,[16] and thus is fast approaching the production of Kailan. As may be seen from the production estimates, the mines at Kailan and Ta-t'ung together are responsible for the bulk of North China's coal production. The Ta-t'ung output is of particular significance to the expanding machinery and metallurgical industries at Taiyuan.

The Feng-feng coal mine, which produced around 2.2 million tons of coal in 1953,[17] is a much smaller mine than either Ta-t'ung or Kailan. However, it is being rapidly enlarged, the Communists say, to become one of China's largest high-grade coking coal production centers. During 1954 four pits were enlarged, two others

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[14] Taiyuan, NCNA Nov. 27, 1953, and Far Eastern Economic Review, Feb. 10, 1955, p. 73.

[15] NCNA, Taiyuan Mar. 13, 1954.

[16] People's China, No. 7, April 1, 1955. pp. 31-33.

[17] NCNA, Dec. 18, 1953.

316 were reconditioned, and an abandoned pit was reopened. The Communists expect the output at Feng-feng to reach over 6.6 million tons a year upon completion of the present program.[18]

B. Electric Power

317 The abundance of coal in North China means that a regional fuel shortage is not likely to develop, which in turn assures the continued operation of the area's electric power and light industry, as virtually all the power plants are thermal plants. The only hydro-electric plant is located at the Kuan-t'ing Reservoir, 75 kilometers(45.6 mi.) northwest of Peking.

At the time the Communists took over North China, the total generating capacity in the region was rated at approximately 164.5 thousand kilowatts, the principal plant being located at Tientsin, Tangshan, Peking, and Taiyuan. The rated capacity in 1953 was probably about 209,000 kilowatts or about 19 per cent of the rated capacity on the Mainland, excluding Manchuria.[19]

The expansion of capacity now under way includes power plants at Tientsin, Taiyuan and T'ung-chou. A 20 per cent increase in generating capacity was said to have been recorded at

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[18]/NCNA Feb. 19, 1954.

[19]/NCNA Peking, Jan. 11, 1954; Wen-hui Pao [Wen-hui Daily], Hong Kong, Aug. 26, 1953.

471 ment and by the local governments; therefore, at the time the Communists assumed control of Tientsin, state-controlled industry accounted for approximately 40 per cent of the industrial output of this city.[2]

316 North China's coal mining industry was first
472 developed in Shansi Province, which is considered to have the richest coal reserves in China. Small native iron smelters were scattered throughout the province. Two private coal mining companies, Chin-pei in North Shansi and Pao-ch'ing in Central Shansi, were of greatest importance to the region's coal mining industry, but smaller companies were of only slightly lesser importance.

473 Before the Sino-Japanese war, the governor of Shansi organized a provincial enterprise called the Northwest Company as part of a program to encourage the general industrial development of the province and bolster the provincial economy. It was operated as a holding company and acquired interests in the two privately owned coal mining companies. The Northwest Company also erected two iron and steel works, one in Central Shansi (Yang-ch'üan) and the other in Taiyuan, the provincial capital, and began to operate several other light industries.

During the period of Japanese occupation, a number of new light industries were encouraged

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2. Ta-kung Pao [Ta-kung Daily] , Hong Kong, July 15, 1955.